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Report Highlights:

Dancing gum video promotions, mouth watering caramel and organic food news are in this month's Japan Food Trends.

Note: Japan Food Trends (JFT) communicates Japanese food and lifestyle trends that may help U.S. exporters to generate product and marketing ideas.

General Information:

Organic Food Market in Japan Set to Boom

<http://www.globalintelligence.com/news/news/latest/gia-survey-shows-food-manufacturers-in-japan-are-k>

March 12th, 2009

The Global Intelligence Alliance Group (GIA) surveyed Japanese manufacturers on their ideas for upcoming trends. Health concerns were top rated, and most manufacturers believe that organic food will be the most important, and it's what they intend to market. It beat out sugar-free and low-carbohydrate foods, showing that people might be more concerned about what is added to their food rather than what is taken out.

The challenge with this trend in consumer taste lies in Japan's existing agricultural industry. The organic food market is estimated by the Japanese Trade Commission to make up less than .5% of the market. This is far below the potential of the market, but the average fruit or vegetable grown in Japan requires a large amount of pesticides. Also, a lot of Japan's food is imported, making it difficult to preserve freshness, and without pesticides and other additives, this can be very difficult. Also, on average organic products cost more than their non-organic counterparts, partially because of the difficulties in growing good produce without the help of pesticides.

Despite these challenges, consumers are growing more interested in organic products and are willing to spend more to buy them. The main factors driving the organic food market are recent food scandals, new stricter food labeling laws, recent laws passed to promote organic farming, and the population dynamics of Japan.

The Dancing Gum

Lotte Fit's Dance Contest with YouTube

<http://www.cscoutjapan.com/en/index.php/lotte-fits-gum-dance-contest-with-youtube/>

March 31, 2009



Fit's Gum

<http://www.cscoutjapan.com/en/index.php/lotte-fits-gum-dance-contest-with-youtube/>

The Japanese gum maker Lotte has recently marketed a new product, Fit's gum. The innovative design features individually wrapped soft pieces of gum in a sleeve-like pouch, but what has really got people talking are the ads. Lotte has run a few ads featuring a very catchy song and unique dance. Not only are the ads on television, but they are online on sites like YouTube and even



available on your mobile phone.

This is of particular interest because of the contest Lotte is running, with a prize of roughly \$10,000 for the individual submitting the most popular video featuring themselves doing the Fit's dance. Thousands of people are watching the videos and many are submitting their own too. This is a very interesting way to promote a new gum. To watch the video, go to Lotte's YouTube channel at: <http://www.youtube.com/LOTTE>. The most popular homemade videos and details about the contest are available on the website as well.

Young Japanese television personalities (tarento) performing Fit's dance in an advertisement

<http://www.cscoutjapan.com/en/index.php/lotte-fits-gum-dance-contest-with-youtube/>

Making the Switch? Beer Drinkers go for Low Malt

Taste-testing a brew for the recession

<http://search.japantimes.co.jp/cgi-bin/fg20090327nc.html>

March 27th, 2009



People are continuously looking for ways to cut their spending. Could beer be the next step? While it probably depends on how important the taste of your favorite brew is to you, along with your preference for quality vs. quantity, it seems as though many Japanese are choosing low price over a full body.

A selection of third segment “beers” <http://search.japantimes.co.jp/cgi-bin/fg20090327nc.html>

Because of the high 77 yen per can tax the government has placed on beers and happoshu (sparkling spirits with 50-67% malt) with at least 50% malt, many consumers have switched to dai-san (third segment drinks) which are basically imitation beers with little to no malt, and some would argue an equal amount of flavor. Yet you can't beat the prices, and while Japanese brewers experience a 9.2% decrease in sales in February from the same time last year, dai-san shipments jumped up 47.3% proving that for many price is the main determinant.

In light of these findings, and due to the launch of a few new dai-san, the Japan Times decided to conduct a taste test. While avid beer fans said they would prefer to drink less but still have the real thing, many casual drinkers or those already fans of dai-san said they sometimes even preferred the taste of the dai-san over regular beer. These beverages are especially popular with women as they are lighter and many are low-calorie too. The price comparison is hard to beat as well. While most beers sell for around \$2.15 - \$4.00 per 350ml (depending on the amount of malt and country of origin), many dai-san hover around the \$1.30 - \$1.60 per 350ml price range, easily beating even the low-malt domestic beers.

Drinking Locally

Urban Agriculture: Tokyo Milk Collaborates with 7-11

<http://www.cscoutjapan.com/en/index.php/urban-agriculture-tokyo-milk-collaborates-with-7-11/>

March 19, 2009

A small group of farmers have joined forces in Tokyo to create locally produced milk and shucream (puff pastry shells filled with custard) under the name of Tokyo Gyunyu (Tokyo Milk).

These treats are sold only in the Ota or Setagaya wards of Tokyo according to their website, but I managed to find some in Minato ward the other day. The milk was really rich and sweet, well worth



the premium price of a local drink. The low availability seems to be adding to their appeal however. The products are being sold at only 87 seven eleven convenience stores in Tokyo and are often sold out due to their popularity.

Tokyo Milk and Tokyo Milk Shucream

<http://www.cscoutjapan.com/en/index.php/urban-agriculture-tokyo-milk-collaborates-with-7-11/>

Melt in Your Mouth Caramels

Nama-caramel from Hanabatake Farm

<http://www.infomajapan.com/whatsnow.phtml?pid=200903>

Hanabatake Farm in Hokkaido, Japan has landed on a gold mine. Last year operator Yoshitake Tanaka (a popular Japanese personality and current dairy farmer) debuted a freshly made caramel candy that has customers lining up at Chitose Airport just to get a taste of them. These caramels give the sensation of melting caramel. This is created by simmering specially selected milk and fresh cream in copper pots and then hand-making each individual piece. A box containing only a handful of these candies sells for about \$8.50, and they are available in original caramel, white chocolate, and strawberry.



Hand-made nama-caramels

<http://www.infomajapan.com/whatsnow.phtml?pid=200903>